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November 14, 2006

Honorable James H. Welsh
Commissioner of Conservation
State of Louisiana
Post Office Box 44275
Baton Rouge, Louisiana 70804-4275

Re: APPLICATION FOR PUBLIC HEARING.

Pettit Formation, Reservoir A; Hosston Formation, Reservoir A; and Cotton Valley Formation, Reservoir A; BETHANY-LONGSTREET FIELD, Caddo and DeSoto Parishes, Louisiana.

Dear Sir:

FOSSIL OPERATING, INC. ("Applicant"), hereby respectfully applies for a public hearing to consider evidence relative to the issuance of Orders pertaining to the following matters relating to the Pettit Formation, Reservoir A; the Hosston Formation, Reservoir A; and to the Cotton Valley Formation, Reservoir A; in the Bethany-Longstreet Field, Caddo and DeSoto Parishes, Louisiana:

1. To create three (3) additional drilling and production units for the exploration for and production of gas and condensate from the Pettit Formation, Reservoir A, such units being shown on an attached plat and being designated PET RA SU59 through PET RA SU61.
2. To create five (5) additional drilling and production units for the exploration for and production of gas and condensate from the Hosston Formation, Reservoir A, such units being shown on an attached plat and being designated HOSS RA SU81 through HOSS RA SU85.
3. To create five (5) additional drilling and production units for the exploration for and production of gas and condensate from the Cotton Valley Formation, Reservoir A, such units being shown on an attached plat and being designated CV RA SU81 through CV RA SU85.
4. To force pool and integrate all separately owned tracts, mineral leases and other property interests within each of the proposed additional units in accordance with Section 10, Title 30, of the Louisiana Revised Statutes of 1950, with each tract sharing in unit production on a surface acreage basis of participation.
5. To designate a unit operator and unit well for the proposed additional units as may be appropriate.

6. To permit Applicant to combine downhole production from the Pettit Formation, Reservoir A, the Hosston Formation, Reservoir A, and the Cotton Valley Formation, Reservoir A, or any combination thereof, in any well drilled on the proposed units in which the interests in the units on which the well is located are identical.

7. To extend to the proposed additional units for the Pettit Formation, Reservoir A, and the Hosston Formation, Reservoir A, except to the extent contrary herewith, the provisions of Office of Conservation Order No. 289, effective October 1, 1954, as supplemented and amended by the Order No. 289-A series of Orders.

8. To extend to the proposed additional units for the Cotton Valley Formation, Reservoir A, except to the extent contrary herewith, the provisions of Office of Conservation Order No. 289-J, effective March 1, 1974, as supplemented and amended by the Order No. 289-J series of Orders.

9. To discuss such other matters as may be pertinent.

The Pettit Formation, Reservoir A, and the Hosston Formation, Reservoir A, in the Bethany-Longstreet Field, Caddo and DeSoto Parishes, Louisiana, were initially defined in Office of Conservation Order No. 289, effective October 1, 1954, and were further defined in subsequent Orders of the Order No. 289-A series of Orders.

The Cotton Valley Formation, Reservoir A, in the Bethany-Longstreet Field, Caddo and DeSoto Parishes, Louisiana, was initially defined in Office of Conservation Order No. 289-J, effective March 1, 1974, and was further defined in Office of Conservation Order No. 289-J-1, effective April 14, 1977.

Any pertinent data concerning this application will be available for inspection at the offices of Louis Gilbert & Associates, Inc., 3636 N. Causeway Boulevard, Suite 204, Metairie, Louisiana 70002-7216. Any person wishing to inspect any such data should call Mr. Louis Gilbert at (504) 834-8112 during normal business hours in order to arrange a date and time for such inspection. A copy of any such pertinent data which is not otherwise available from the records of the Louisiana Office of Conservation can be obtained from Applicant at the expense of the requesting party.

By letter dated November 2, 2006, Applicant gave notice, in accordance with the Revised Rules of Procedure, of its intention to apply for a public hearing concerning these proposals and set November 29, 2006, as the tentative date for the pre-application conference. No conference request was received; accordingly, no pre-application conference will be held.

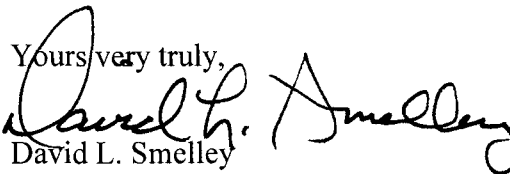
Pursuant to the Revised Rules of Procedure, Applicant has made a reasonable effort to obtain the names and addresses of all Interested Owners, Represented Parties and Interested Parties to whom notice of this application is being sent and has attached hereto a list of the names and addresses of such parties. A copy of the unit plats (which are identical to the unit plats attached to the pre-application notice) are enclosed herewith, and a copy of this letter and of the attached plats is being sent to the District Manager of the Shreveport District of the Office of Conservation and to

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each of the Interested Owners, Represented Parties and Interested Parties as shown on the attached list.

Applicant will provide for posting of a copy of the Legal Notice of this hearing, and of the enclosed plats, at a prominent place in the area affected and will cause publication of the Legal Notice in a newspaper published in the general area of Bethany-Longstreet Field, all in accordance with the Revised Rules of Procedure. Furthermore, Applicant will mail a copy of the Legal Notice to all Interested Owners, Represented Parties and Interested Parties promptly upon receipt of the Legal Notice from the Commissioner.

Finally, enclosed herewith is our check payable to the Office of Conservation covering the application fee.

Yours very truly,

David L. Smelley

-- Attorney for Fossil Operating, Inc.

DLS:dp
Enclosures

cc: Mr. Jim Broussard (w/encls.)
Mr. Rick Sepulvado (w/encls.)
Mr. Louis Gilbert (w/encls.)
Interested Owners, Represented Parties
and Interested Parties (w/plats only)

